

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING**

**Call to Order:** By **CHAIRMAN DAVE KASTEN**, on January 9, 2003 at 8:30 A.M., in Room 350 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Dave Kasten, Chairman (R)  
Sen. Tom Zook, Vice Chairman (R)  
Rep. Christine Kaufmann (D)  
Sen. Jon Tester (D)  
Sen. Joseph (Joe) Tropila (D)  
Rep. John Witt (R)

**Members Excused:** Sen. Bob Keenan (R)

**Members Absent:** None.

**Staff Present:** CJ Johnson, Committee Secretary  
Catherine Duncan, Legislative Branch  
Jane Hamman, OBPP

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: HB 11, 1/9/2003  
GOVERNOR'S BUDGET STATE OF MONTANA  
FISCAL YEARS 2004-2005  
TREASURE STATE ENDOWMENT PROGRAM  
(TSEP) - VOLUME 4

Executive Action: None

**Jim Edgcomb, Program Manager, Department of Commerce (DOC), Treasure State Endowment Program (TSEP)**, provided background information on the funding for grants, the history, and the loans for the TSEP program. He explained the types of loans and how they work, and how to reapply for TSEP grants. The Committee discussed the presentations and had questions answered. Recommendations were made to the agencies for suggested changes within their programs, such as ceiling limits, criteria, etc.

**Mr. Edgcomb** explained to the Committee how to read the project applications, the status of the grants, and the project summary. He said the grants are based on median household income, the percent of non-TSEP matching funds the communities have to acquisition, the total population of the communities, and the number of households.

**Mr. Edgcomb** provided information on eligible TSEP applicants that include cities, towns, counties, consolidated governments, tribal governments, and county or multi-county water, sewer, or solid waste districts. He said TSEP projects include drinking water systems, wastewater treatment facilities, sanitary or storm sewer systems, solid waste disposal and separation systems, and bridges.

**CHAIRMAN KASTEN** asked Mr. Edgcomb about the projects above number 50, and if they are included to receive grant monies. **Mr. Edgcomb** said they are eligible for rehabilitation, but not grant monies if they are below the funding line. The projects between 1 and 50 are eligible for grants to be replaced.

**Mr. Edgcomb** discussed the project summary for bridges which includes the history of the projects the communities have made application for. It identifies problems such as deficiencies of the bridges, how they are rated, the seven statutory priorities used to score the projects, and how the points are given to the projects.

**CHAIRMAN KASTEN** opened the hearing for testimony on HB 11.

*{Tape: 1; Side: A; Approx. Time Counter: 0 - 4.3}*

#### HEARING ON HB 11

**Sponsor: CHAIRMAN KASTEN, HD 99**, opened the hearing on the **TSEP Program**. He said the TSEP Program was authorized with the passage of Legislative Referendum 110 in 1992. The TSEP program deals with infrastructure projects throughout the State.

**CHAIRMAN KASTEN** opened the hearing on Lewis & Clark County, TSEP-Project #1 Page 31.

**Nancy Guccione, Program Specialist, TSEP-DOC,** recommended the full TSEP grant of \$175,575.

**Proponents:**

**Ron Alles, Chief Administrator Officer of Lewis and Clark County,** thanked the Committee and the state of Montana, stating this is an excellent program, and it is working well for Lewis and Clark County. The TSEP program assists local communities by helping them replace their infrastructure.

**Janet Pallister, Director of Finance and Operations for the Lewis and Clark County Public Works,** said the grant will be used to replace three bridges and will be fully matched by county funds. The three bridges to be replaced are: 1) Lake Helena Drive, 2) John G. Mine, and 3) Stemple Pass. She asked the Committee to support the funding for this grant and distributed her testimony, which she read.

**EXHIBIT (j1h04a01)**

**Opponents:** None

**Informational Testimony:** **Dan McCauley, Engineer, Helena,** said he prepared the CAP and PER for this project.

**Questions from Committee Members and Responses:**

**SEN. ZOOK** asked if a culvert will be replacing one of the bridges. **Mr. McCauley** said that is correct. **SEN. ZOOK** asked if he had to apply for a permit from Fish, Wildlife and Parks (FWP) to do this. **Mr. McCauley** said yes. They have contacted all the agencies and FWP regarding the replacement of the bridge with a culvert due to the impact on the bull trout.

**CHAIRMAN KASTEN** closed the hearing on Lewis and Clark County.

***{Tape: 1; Side: A; Approx. Time Counter: 4.3 - 12.3}***

**CHAIRMAN KASTEN** opened the hearing on Richland County, TSEP-Project #8 Page 68.

**Ms. Guccione, TSEP-DOC,** recommended the grant request of \$351,625. The proposed project is for four bridges in Richland

County; 1) West Fininicum, 2) East Palmer, 3) Vournas, and 4) East Carlson.

**Proponents:**

**Russ Huotari, Public Works Director for Richland County,** said TSEP has been a good program for Richland County. He said that Richland County was successful in receiving \$181,000 in 1999 from the program, and in 2001 they received \$296,000. The first grant replaced two bridges; the second grant replaced three bridges; and they will replace four bridges with this grant. He said the funding is needed due to increase in traffic.

***{Tape: 1; Side: A; Approx. Time Counter: 12.3 - 18}***

**Gary Amestoy, Lobbyist for Richland Economic Development,** said he is before the Committee for safety factors. He said the bridges need to be replaced due to bigger equipment traveling on them and the bridges are not safe.

**Sharon Rau, City Chamber of Commerce,** said she supports the request of the funds for the bridges.

**Ray Herbert, Station Manager for Montana/Dakota Utilities, Lewis and Clark Station,** stated his support for the TSEP program for Richland County.

**Opponents:** None

**Questions from Committee Members and Responses:**

**CHAIRMAN KASTEN** asked about the long-term life of the bridges. **Mr. Huotari** said the bridges will be concrete structures with a 50-year life. He said they usually check the bridges after 30 years, but 30 to 50 years for a concrete structure is long-term. He said they are considered replacements, not rehabilitation.

**CHAIRMAN KASTEN** closed the hearing on Richland County.

***{Tape: 1; Side: A; Approx. Time Counter: 18 - 25}***

**CHAIRMAN KASTEN** opened the hearing on Cascade County, TSEP-Project #30 Page 178.

**Jim Edgcomb, TSEP-DOC,** recommended the full grant of \$230,840 for the proposed project that will replace one bridge. He said this project scored in the lower part of the recommended projects, because they didn't consider the County's financial need.

**Proponents:**

**Peggy Beltrone, Cascade County Commissioner**, presented a visual of the Eden Bridge over the Smith River to the Committee members. She said it is severely weathered, cracked, dry-rotted and the surface of the deck is worn. She said this is the County's first venture for a bridge placement request. The County has been able to handle bridge replacements in the past through an aggressive bridge and culvert program. The replacement cost of this bridge is \$468,680, and is too much money for the County to handle. She said that the bridge is currently closed to trucks with a Gross Vehicle Weight (GVW) over seven tons.

**EXHIBIT(jlh04a02)**

**Rodney Blake, Engineering Firm-Thomas, Deant Hoskins, Great Falls**, said he did the PER report together for this project. He reiterated that the bridge is part steel and part wood, which is the part that is deteriorating.

*{Tape: 1; Side: A; Approx. Time Counter: 27 - 32.7}*

*{Tape: 1; Side: B}*

**Questions from Committee Members and Responses:**

**CHAIRMAN KASTEN** asked about the \$27,325 that is committed from the applicant that will be applied if they receive TSEP, and if there will be any increase in mill levies to use toward the bridges. **Mr. Beltrone** said that they have not gone into any of their emergency funds, and have not determined how they will raise the matching funds.

**CHAIRMAN KASTEN** closed the hearing on Cascade County.

*{Tape: 1; Side: B; Approx. Time Counter: 0 - 2.6}*

**CHAIRMAN KASTEN** opened the hearing on Blaine County, TSEP-Project #14 Page 97.

**Mr. Edgcomb** said the County has requested a hardship grant of \$480,400. The request is a 25 percent match for the project. He said they are recommending a reduced grant of \$322,782, because the county didn't meet the three criteria needed to qualify for a hardship grant. He said they have discussed this with the County, and they can make up the difference. **Mr. Edgcomb** said this proposed project will replace two bridges.

**Proponents:**

**Ann Marie Robinson, Deputy Director for Bear Paw Development,** said the Blaine County Commissioners are unable to attend, but she had faxed letters that she will share with the committee. The letter is signed by Don Swenson, Chair of Blaine County, and Commissioners Arthur Kleinjan and Dolores Plumage. **Ms. Robinson** read the letter. She stated this is also the first time that Blaine County has made application with TSEP to repair a bridge.

**EXHIBIT(jlh04a03)**

**Opponents:** None

**Questions from Committee Members and Responses:** None

**CHAIRMAN KASTEN** closed the hearing on Blaine County.

**{Tape: 1; Side: B; Approx. Time Counter: 2.6 - 8.7}**

**CHAIRMAN KASTEN** opened the hearing on Madison County, TSEP Project #3 Page 41.

**Kim Hayes, Program Specialist, TSEP-DOC,** said the County requested a hardship grant for \$249,058. She said they do not meet the eligibility criteria, and recommends a reduced grant of \$174,529. The County has committed to providing the additional match. The post project consist of replacing three bridges.

**{Tape: 1; Side: B; Approx. Time Counter: 8.7 - 9.5}**

**Proponents:**

**Frank Nelson, Madison County Commissioner,** distributed written testimony, which he read, and stated his support for this grant.

**EXHIBIT(jlh04a04)**

**{Tape: 2; Side: A; Approx. Time Counter: 9.5 - 14.3}**

**SEN. TROPILA** said that REP. DIANE RICE, HD 33, wanted to be on record in support of the TSEP grant for Madison County.

**Opponents:** None

**Questions from Committee Members and Responses:**

**CHAIRMAN KASTEN** asked Mr. McCauley if it would be possible for him to work with FWP to alleviate the permit process, and if they can work together to make a determination between a dry creek and a wet creek. **Mr. McCauley** said it is his experience that this is an issue all over Montana. He said there have been issues on streams, and feels that personal agendas become involved.

**REP. WITT** asked **Mr. Edgcomb** if any of the counties that have applied for hardship grants have applied for emergency levies. **Mr. Edgcomb** said that some counties have done some type of additional funding to help replace infrastructure, but he didn't know what they are. **Ms. Elaine Allestad, Commissioner of Sweetgrass County, Montana**, replied that they can apply for certain mill levies, but they have to be related to a disaster. She said they use a two mill, but in a situation like this the county would have to propose a special mill and be voted in by the County. **Ms. Hammon** asked **Mr. Edgcomb** to walk the Committee through the chart on Page 43 in the TSEP book for Madison County. **Mr. Edgcomb** said the County's bridge levy is a percentage of the MHI which is .06 percent, and it exceeds the state median. He said for a hardship, TSEP requires .08 percent. He said another requirement would be that the entire levy be at state median of 2.78 percent. The third criteria would be if the County had exhausted their funding sources. He said there are not many options when it comes to funding bridges.

***{Tape: 1; Side: B; Approx. Time Counter: 14.3 - 21.2}***

**REP. WITT** commented that the local communities should have an obligation too. **CHAIRMAN KASTEN** said that the amount of non-TSEP matching funds is 29 percent, and many of these projects are over 50 percent. **Mr. Edgcomb** said that most of the communities do come in with a 50 percent match. He said that local communities cannot raise rates to build bridges. He commented that Madison County did submit their application with inaccuracies from numbers that TSEP had given them, which is the reason Madison County did not qualify for the hardship grant. **Mr. Edgcomb** said they did meet with the community and explained what had happened, and also noted that the County didn't understand the requirements needed on the application.

**CHAIRMAN KASTEN** closed the hearing on Madison County.

**CHAIRMAN KASTEN** opened the hearing on Sweetgrass County, TSEP Project #5 Page 51.

**Kim Hayes, TSEP-DOC**, recommended the full grant of \$235,954 to replace three bridges.

*{Tape: 1; Side: B; Approx. Time Counter: 22 - 27.9}*

**Proponents:**

**Lloyd Berg, Commissioner of Sweetgrass County, Big Timber**, distributed his testimony, which he read. He informed the Committee of the damages to the three bridges stating that they are a hazard.

**EXHIBIT**(j1h04a05)

**Dan McCauley, Helena**, said he is the engineer that is working on this project. He will work with the County Commissioners, and will oversee the project to make sure that everything is in order.

*{Tape: 2; Side: A}*

**Opponents:** None

**CHAIRMAN KASTEN** closed the hearing on Sweetgrass County.

**CHAIRMAN KASTEN** opened the hearing on Gallatin County, TSEP Project #20 Page 30.

**Jim Edgcomb, TSEP-DOC**, recommended the requested grant of \$100,000 for Gallatin County. He said that this proposed project will replace three bridges.

**Proponents:**

**Larry Watson, Grants and Contract Administrator for Gallatin County in Bozeman, Montana**, said that Gallatin County growth has increased considerably and has caused an increase in traffic, residential, and businesses. He said they attract 3.2 million tourists per year. The economic development and the proposed economic feasibility makes this grant cost-effective.

**Opponents:** None

**Questions from Committee Members and Responses:**

**SEN. ZOOK** asked what the funding source RUS stands for. **Mr. Edgcomb** replied it is Rural Utilities Service. He said it is a funding that falls under the U.S. Department of Agriculture.



**CHAIRMAN KASTEN** asked about the cash committed. **Mr. Watson** replied that the County funding is coming out of the reserve they have in their county road bridge fund. He stated they are distributing the fiscal impact out over a two-year period.

**CHAIRMAN KASTEN** asked about the score of 400 points they received, and wanted to know what Gallatin County is doing about supporting these bridges. **Mr. Watson** said there is strong public support, stating the Rural Bridge Department visited every residence on the roads serviced by those bridges. He is not aware of the County Commissioners doing anything with a levy cost back to the property owners.

**REP. WITT** asked what the growth rate is of Gallatin County. **Mr. Watson** said the population has increased from the last census of 48,000 to the current census of 72,000.

**CHAIRMAN KASTEN** closed the hearing on Gallatin County.

*{Tape: 2; Side: A; Approx. Time Counter: 0 - 11}*

**CHAIRMAN KASTEN** opened the hearing on Pondera County, TSEP-Project #37 Page 213.

**Mr. Edgcomb** recommended the requested grant of \$137,500 to replace one bridge in Pondera County.

**Proponents:**

**Greg Benjamin, Stahly Engineering**, said he is assisting Pondera County with the bridge study. He distributed a handout summarizing the problems with the bridge, and why they need a new one. **Mr. Benjamin** read his handout, and stated his support for the grant.

**EXHIBIT** (j1h04a06)

*{Tape: 2; Side: A; Approx. Time Counter: 11 - 16}*

**Sam Harris, Pondera County Commissioner**, said that the bridge is important for economic reasons. He stated that it is a direct route from the farms to the grain elevator.

**Opponents:** None

**Questions from Committee Members and Responses:** The committee asked Mr. Benjamin questions regarding design and size of the bridge, and he responded.

*{Tape: 2; Side: A; Approx. Time Counter: 16 - 25}*

**CHAIRMAN KASTEN** closed the hearing on Pondera County.

**CHAIRMAN KASTEN** opened the hearing on Hill County, TSEP Project #33 Page. 193.

*{Tape: 2; Side: A; Approx. Time Counter: 27.7 - 30}*

**Kim Hayes, TSEP-DOC** said they recommend the requested grant of \$175,803. The proposed project will replace three bridges.

**Proponents:**

**Doug Kaercher, Hill County Commissioner,** discussed the location of the bridges and the problems with the bridges. He asked the Committee to support them with this request.

**Ann Marie Robinson, Deputy for Bear Paw Development,** said that the MDT have already replaced three bridges. She stated that the roads the bridges are located on should replace the GVW requirement for vehicles crossing these bridges. She said that Hill County have already assessed the county with a general mill levy, and are currently capped.

**Dan McCauley, Engineer,** said he helped prepare the CAP and the PER for this program. He offered his support for the grant.

**Opponents:** None

*{Tape: 2; Side: B}*

**Questions from Committee Members and Responses:**

**REP. KAUFMANN** asked about raising the mill levies. **Mr. Edgcomb** responded, stating that the Hill County mill levy is down by approximately 60 percent. He said that grants for bridge projects are determined by what the County can do for itself, such as what matching monies have they put up for the funding of the bridges.

**CHAIRMAN KASTEN** asked Mr. Edgcomb to compare Hill County with Richland County. **Mr. Edgcomb** discussed the Median Household Income (MHI), and the difference in the percentages for each county.

**Ms. Hamman** commented that earlier reference was made that Hill County was capped and couldn't do anymore and asked for clarification. **Mr. Robinson** replied that the county assesses a general mill, and then allocates those funds. They do not set separate bridge mills. The general mill has a cap that the

counties cannot exceed. This mill generates revenue that can be allocated each year into the different departments. **CHAIRMAN KASTEN** questioned the rationale on the difference of capping the general mill and the bridge levies, and wanted to visit with the Committee Members before they take executive action on this.

**SEN. ZOOK** asked if Hill County had a road levy. **Mr. Kaerchar** replied they do, but it is not a part of the general mill levy. **SEN. ZOOK** said that a few years back the legislature doubled the amount of mills that could be levied for bridges. He asked if the general levy gives the county more flexibility in their budget. **Mr. Kaerchar** said that is correct.

**REP. WITT** asked Mr. Kaerchar regarding one of the bridges that has been washed out four times in the last 25 years and why it didn't qualify in the FEMA Program. **Jerry Otto** was referred to who replied that it is a state secondary road. **Mr. Otto** said they did apply for FEMA, but because it is a state secondary road, the county was not allowed to collect funds for this project. **REP. WITT** asked why they were not able to receive state secondary bridge funding from the state. **Mr. Otto** said they tried, but were denied because they were replacing bridges with culverts.

*{Tape: 2; Side: B; Approx. Time Counter: 0 - 8.2}*

**Mr. Kaerchar** commented that Hill County has been very proactive in replacing their bridges. He said they have replaced ten bridges with culverts, and this is the reason they can no longer be allocated bridge funds.

**CHAIRMAN KASTEN** closed the hearing on Hill County.

*{Tape: 2; Side: B; Approx. Time Counter: 8.2 - 13}*

**CHAIRMAN KASTEN** opened the hearing on Stillwater County, TSEP-Project #6 Page 57.

**Kim Hayes TSEP-DOC** said that Stillwater County has requested a hardship grant, which the County can match at 46 percent. They meet the criteria for a hardship waiver, and DOC recommends the full grant of \$500,000. This project replaces five bridges.

**Proponents:**

**Jack Knorr, Superintendent of Roads and Bridges for Stillwater County**, stated his support for the TSEP grant. Mr. Knorr distributed written testimony, which he read. He said that

Stillwater County will match approximately \$425,000 to the \$500,000 grant money to replace the five bridges.

**EXHIBIT (j1h04a07)**

**Harold Bladdy, Stillwater County Commissioner**, stated his support for the TSEP grant. He said the attitude of the County has made a major shift in the last decade in keeping bridges updated instead of patch work.

**Dan McCauley** said he is the consulting engineer that assisted Stillwater County with their CIP and the PER for this project.

**Opponents:** None

**Questions from Committee Members and Responses:**

**REP. WITT** asked what is a floating levy. **Mr. Bladdy** said that floating mills were allowed from the last legislature and the counties have allowed those mills and passed them on. He said they do this when they have levied every other tax that is possible to tax.

**CHAIRMAN KASTEN** closed the hearing on Stillwater County.

*{Tape: 2; Side: B; Approx. Time Counter: 13 - 24}*

**CHAIRMAN KASTEN** opened the hearing on Belgrade, TSEP-Project #42, Page 237.

**Kim Hayes, TSEP-DOC**, recommended the requested \$500,000 providing interest earnings are sufficient to fund this project. The project consists of improving the city's wastewater system.

**Proponents:** None

**Opponents:** None

**Questions from Committee Members and Responses:**

**REP. KAUFMANN** asked why no proponents are present for this hearing. **Mr. Edgcomb** said the department sent out letters earlier, and then they contacted everyone by telephone yesterday, January 8, 2003, and no one responded.

**CHAIRMAN KASTEN** closed the hearing on Belgrade.

**CHAIRMAN KASTEN** adjourned the Committee.

**ADJOURNMENT**

Adjournment: 11:10 A.M.

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REP. DAVE KASTEN, Chairman

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CJ Johnson, Secretary

DK/CJ

**EXHIBIT** (j1h04aad)